



GAIL FARBER, Director

## COUNTY OF LOS ANGELES DEPARTMENT OF PUBLIC WORKS

*"To Enrich Lives Through Effective and Caring Service"*

900 SOUTH FREMONT AVENUE  
ALHAMBRA, CALIFORNIA 91803-1331

<http://dpw.lacounty.gov>

ADDRESS ALL CORRESPONDENCE TO:  
P.O. BOX 1460  
ALHAMBRA, CALIFORNIA 91802-1460

# ADOPTED

BOARD OF SUPERVISORS  
COUNTY OF LOS ANGELES

38 August 11, 2015

  
PATRICK OGAWA  
ACTING EXECUTIVE OFFICER

August 11, 2015

The Honorable Board of Supervisors  
County of Los Angeles  
383 Kenneth Hahn Hall of Administration  
500 West Temple Street  
Los Angeles, California 90012

Dear Supervisors:

**AMENDMENT TO AGREEMENT FOR  
COOPERATIVE IMPLEMENTATION OF ALAMITOS BARRIER PROJECT  
SUPPLEMENT NO. 8  
(SUPERVISORIAL DISTRICT 4)  
(3 VOTES)**

### **SUBJECT**

This action is to amend an existing agreement between the Los Angeles County Flood Control District and the Orange County Water District to establish an equitable method for determining the Orange County Water District's share of the Alamitos Barrier Project office and maintenance yard costs.

**IT IS RECOMMENDED THAT THE BOARD ACTING AS THE GOVERNING BODY OF THE LOS ANGELES COUNTY FLOOD CONTROL DISTRICT:**

1. Find that the recommended actions do not constitute a project under the California Environmental Quality Act for the reasons stated in this letter.
2. Approve and authorize the Chief Engineer of the Los Angeles County Flood Control District or her designee to amend the agreement for Cooperative Implementation of the Alamitos Barrier Project to establish the Orange County Water District's share of the Alamitos Barrier Project's office and maintenance yard costs based upon the Los Angeles County Flood Control District's actual expenditures and the proportion of water injected into each party's respective facilities.

## **PURPOSE/JUSTIFICATION OF RECOMMENDED ACTION**

The purpose of the recommended actions is to establish a specific and equitable method for determining the Orange County Water District's (OCWD) share of the Alamitos Barrier Project (ABP) office and maintenance yard costs based upon actual expenditures and the proportion of water injected into OCWD's facilities. As specified in the agreement for Cooperative Implementation of the ABP, the OCWD shall contribute a reasonable rental amount to the Los Angeles County Flood Control District (District) for their share of the ABP's office and maintenance yard costs. In 1964, the OCWD's rental amount was set by the Board at \$375 per year and has never been increased. A change in calculation of OCWD's rental amount is necessary to offset increased office and maintenance yard costs associated with the ABP.

## **Implementation of Strategic Plan Goals**

The Countywide Strategic Plan directs the provisions of Operational Effectiveness/Fiscal Sustainability (Goal 1) and Integrated Services Delivery (Goal 3). The recommended actions will help achieve these goals by maximizing the effectiveness of County infrastructure, building partnerships with other governmental agencies, and ensuring the County's residents receive quality infrastructure services.

## **FISCAL IMPACT/FINANCING**

There will be no impact to the County General Fund.

The OCWD currently contributes \$375 per year to the District for its share of the office and maintenance yard costs for the ABP. The recommended amendment will establish OCWD's share of office and maintenance yard costs based on a proportion of actual expenditures and will result in a more equitable contribution by OCWD to help offset the District's current cost to maintain the facility.

## **FACTS AND PROVISIONS/LEGAL REQUIREMENTS**

The District and the OCWD entered into an agreement in 1964, which identified each agency's roles and responsibilities to cooperatively finance, construct, operate, and maintain the ABP. The purpose of the ABP is to inject freshwater into the underlying aquifers to develop a pressure ridge that prevents seawater from intruding into and degrading the underground source of potable water supply. Under the terms of the agreement, the ABP is jointly owned by the District and the OCWD and is operated by the District under the direction of a Joint Management Committee.

In accordance with the terms of the agreement, the OCWD shall pay a reasonable sum of rent for the OCWD's share of the office and maintenance yard costs. Per the agreement, the rental amount must be determined by the governing Board of the District with concurrence from the governing Board of the OCWD. In 1964, the OCWD's rental amount was set by the Board at \$375 per year and was never increased. A majority of the other operating and maintenance costs are split between the District and the OCWD based upon the proportion of water injected into each agency's facilities. The recommended amendment to the agreement establishes a similar method for determining the OCWD's share of the ABP office and maintenance costs by basing them upon actual expenditures and the proportion of water injected into the OCWD's wells. This method for establishing the OCWD's rental amount has been discussed with staff from the OCWD and found to be reasonable.

**ENVIRONMENTAL DOCUMENTATION**

Authorizing the Chief Engineer of the District or her designee to amend the agreement to establish the OCWD's share of the office and maintenance yard costs based on documented costs is not a project pursuant to the California Environmental Quality Act (CEQA) because it is an activity that is excluded from the definition of a project by Section 15378(b) of the State CEQA guidelines. This proposed action is an administrative activity of government, which will not result in direct or indirect physical changes to the environment.

**IMPACT ON CURRENT SERVICES (OR PROJECTS)**

Entering into the proposed supplemental agreement with the OCWD will result in additional funding and offset costs to operate, which will enhance the effectiveness of the ABP to better protect groundwater supplies from seawater intrusion.

**CONCLUSION**

Please return one adopted copy of this letter to the Department of Public Works, Water Resources Division.

Respectfully submitted,

A handwritten signature in black ink that reads "Gail Farber". The signature is written in a cursive, flowing style.

GAIL FARBER

Director

GF:CS:vt

Enclosures

c: Chief Executive Office (Rochelle Goff)  
County Counsel (Mark Yanai)  
Executive Office

**AMENDMENT TO AGREEMENT FOR  
COOPERATIVE IMPLEMENTATION OF  
ALAMITOS BARRIER PROJECT  
SUPPLEMENT NO. 8**

THIS SUPPLEMENT NO. 8 is made and entered into this \_\_\_\_\_ day of \_\_\_\_\_, 2015, by and between the LOS ANGELES COUNTY FLOOD CONTROL DISTRICT, a body corporate and politic under Deering's Water Code, Uncodified Acts, Part One, Act 4463, Status 1915, Chapter 755, as amended (hereinafter referred to as FLOOD CONTROL DISTRICT) and the ORANGE COUNTY WATER DISTRICT, a body corporate and politic under Deering's Water Code, Uncodified Acts, Part One, Act 5683, Status 1933, Chapter 924, as amended (hereinafter referred to as WATER DISTRICT):

**RECITALS**

1. FLOOD CONTROL DISTRICT and WATER DISTRICT have entered into an agreement dated July 7, 1964, titled agreement for Cooperative Implementation of Alamitos Barrier Project, including amendments (hereinafter referred to as the IMPLEMENTATION AGREEMENT), which provides for the joint participation in the design, construction, operation, and maintenance of the Alamitos Barrier Project (hereinafter referred to as BARRIER).
2. Pursuant to Section 7 of the IMPLEMENTATION AGREEMENT, an annual budget for the operation and maintenance of the BARRIER is prepared by the Joint Management Committee and approved by its respective governing Boards of the FLOOD CONTROL DISTRICT and WATER DISTRICT.
3. Subsection 3 of Section 7 of the IMPLEMENTATION AGREEMENT currently provides for the WATER DISTRICT to pay the FLOOD CONTROL DISTRICT a reasonable sum as rental for the WATER DISTRICT'S share of the use of the office and maintenance yard for the purposes of the BARRIER and for the rental amount to be determined by the governing Board of FLOOD CONTROL DISTRICT with concurrence of the governing Board of WATER DISTRICT.
4. In 1964, the FLOOD CONTROL DISTRICT'S governing Board, with the concurrence of the governing Board of the WATER DISTRICT, established an annual rental amount of \$375 for the WATER DISTRICT'S share of the use of the office and the maintenance yard of the FLOOD CONTROL DISTRICT for the purposes of the BARRIER. The annual rental fee has remained the same up to the present.

5. FLOOD CONTROL DISTRICT has performed an evaluation of the current cost to maintain the office and maintenance yard for the BARRIER and has determined that the current annual budgeted amount is deficient. FLOOD CONTROL DISTRICT has provided the WATER DISTRICT its updated annual cost to maintain the office and maintenance yard.
6. WATER DISTRICT concurs with the findings of the FLOOD CONTROL DISTRICT'S office and maintenance yard cost evaluation presented at their Joint Management Committee meetings.
7. FLOOD CONTROL DISTRICT and WATER DISTRICT have determined that it would be more equitable to determine the WATER DISTRICT'S share of the cost of the FLOOD CONTROL DISTRICT'S office and maintenance yards for the purposes of the BARRIER based upon documented annual expenditures and the proportion of water injected into each party's respective facilities, as is done for other components of the BARRIER operations and maintenance.

NOW, THEREFORE, in consideration of the foregoing recitals, of the mutual benefits to be obtained by the parties, and of the promises hereinafter detailed, FLOOD CONTROL DISTRICT and WATER DISTRICT hereby agree that Subsection 3 of Section 7 of the IMPLEMENTATION AGREEMENT be deleted and replaced in its entirety with the following:

- "3. The amounts to be expended for the operational costs of the project shall be allocated as follows: Each party will pay all operation, maintenance, and replacement costs, including power of all pumping wells and appurtenant equipment installed and owned by it. All other operation and maintenance costs, including the costs to maintain the office and maintenance yard, except purchase of water, are to be allocated to the parties in proportion to the amount of water furnished by each for injection. Said costs shall include FLOOD CONTROL DISTRICT'S "actual costs" of operation and maintenance incurred in the administration of this agreement. "Actual costs" shall be the total of the following items:
  - a. The direct costs for technical supervision, labor, and material;
  - b. The direct costs attributable to the use of the office and maintenance yards for the purposes of the project; and
  - c. Applicable indirect costs and overhead as distributed in the FLOOD CONTROL DISTRICT'S records and approved by the Joint Management Committee computed as provided in the letter from M. E. Salsbury to the WATER DISTRICT, dated April 15, 1963, FLOOD CONTROL DISTRICT'S File No. 346.41, a copy of which is attached hereto, marked Exhibit B and by this reference incorporated herein."

Except as modified herein, all terms and conditions contained in the IMPLEMENTATION AGREEMENT and all prior supplements shall remain in full force and effect.

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IN WITNESS WHEREOF, the parties hereto caused this amendment to be executed by their duly authorized representatives.

LOS ANGELES COUNTY  
FLOOD CONTROL DISTRICT,  
a body corporate and politic

By \_\_\_\_\_  
Chief Engineer

APPROVED AS TO FORM:

MARY WICKHAM  
Interim County Counsel

By  \_\_\_\_\_  
Deputy

ORANGE COUNTY WATER DISTRICT

By \_\_\_\_\_  
Cathy Green, Board President

By \_\_\_\_\_  
Michael R. Markus, P.E., General Manager

APPROVED AS TO FORM:

By \_\_\_\_\_  
General Counsel



## LOS ANGELES COUNTY FLOOD CONTROL DISTRICT

P. O. BOX 2410, TERMINAL ANNEX  
LOS ANGELES 54, CALIFORNIA

TELEPHONE 223-2111

2850 ALCAZAR STREET  
LOS ANGELES

M. E. SALSBURY  
CHIEF ENGINEER

April 15, 1963

FILE NO. 346.41  
Alamitos Barrier Project  
Indirect Costs and Overhead

Orange County Water District  
1629 West Seventeenth Street  
Santa Ana, California

Attention: Mr. Howard W. Crooke  
Secretary Manager

Gentlemen:

This is in reply to your letter dated March 26, 1963, requesting us to explain the basis for distribution of divisional expense and administrative overhead and how these charges would be applied under the proposed contract with us on the Alamitos Barrier Project.

Since the District's budget is made up of specific money allocations to individual projects, or for individual purposes, we are required to distribute all our costs to the projects or purposes designated in the budget. Therefore, the activities of each of our divisions must absorb the total expenditures of the respective divisions either on a direct cost basis or, as in the case of divisional expense, on an indirect cost basis.

Divisional expense consists of those charges within each division which cannot be distributed directly to specific projects. Under our established accounting procedures, employees in each division are required to distribute their time to specific projects wherever possible. However, the Division Head, Assistant Division Head, secretary and clerical staff cannot, because of the nature of their work, distribute their time to specific projects, and the part not charged to specific projects is accumulated in a divisional expense account which also includes such costs as office supplies, telephone expense, utility charges and office rent. The divisional expense account is distributed monthly to specific projects on the basis of direct labor or total expenditures charged to each project depending on whether it is an engineering division or a field operating division. The divisional expense for engineering divisions is distributed on the basis of direct labor and on the basis of total expenditures for field operating divisions.



April 15, 1963

Administrative overhead, as distributed on our books of account, includes the expense of administrative personnel such as the salaries of the Chief Engineer, Chief Deputy Engineer, Assistant Chief Deputy Engineers, Administrative Deputy, and their secretaries and office costs, Accounting, Procurement, Inventory Control, Safety Unit, Central Filing, and Stenographic Pool costs. Total administrative costs are distributed monthly to all specific projects based on expenditures charged to each project during the month. Administrative overhead cost varies between one and one-half per cent and two per cent.

In answer to your question as to how these costs would be applied under the proposed contract, a work order would be prepared by each division responsible for work on the project. All costs directly attributable to the job would be charged to it. As previously explained, a proportionate share of the division's operating cost would be distributed to the work order monthly, based on either direct labor or total expenditures, depending on whether it is an engineering division or a field operating division. Also, a proportionate share of the monthly administrative costs would be distributed to the work order. The total expenditures for each work order on the Alamitos Barrier Project would be divided between your District and this District in accordance with Section III, Paragraph 4, of the proposed Agreement.

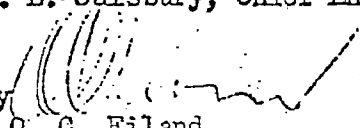
In the event the billing includes rights of way, since it is not feasible to set up a separate work order for each parcel of land acquired, a work order is set up for the cost of acquiring rights of way for the entire project. Our normal procedure is to bill the direct cost of parcels plus a proportionate share of the incidental cost which includes appraisal fees; recorder fees; and acquisition, mapping and survey costs. The incidental cost percentage is determined by dividing the total incidental cost for the project by the total land cost. The incidental cost percentage varies with each project, depending on the problems encountered, but normally is not less than 50% nor more than 150% of the land costs.

If we can be of further assistance, please let us know.

Yours very truly,

M. E. Salsbury, Chief Engineer

By

  
O. C. Eiland  
Administrative Deputy

# 8458  
AGREEMENT FOR COOPERATIVE IMPLEMENTATION OF  
A LAMITOS BARRIER PROJECT

Caption	Design, Construction & Right of Way Costs - Title to Physical Facilities and Capacity Rights		Title to R/W	Water Costs	Operation and Maintenance
	LACFCD	OCWD			
1 Leg	100%	73% *	Title acquired and retained by LACFCD if in L. A. Co. and by OCWD if in Orange Co. Above applicable irrespective of sharing of R/W costs or title of physical facilities.	CWEWRD for all water injected in wells westerly of Point "B" and 1/2 of the water injected in the wells between Points "B" and "C". OCWD for all water injected southerly of Point "C" and 1/2 of the water between Points "B" and "C". CWEWRD pays for LACFCD's share of the water.	LACFCD Pumping and Attendant Observation Wells - 100% LACFCD. OCWD Pumping and Attendant Observation Wells - 100% OCWD. All other operation and maintenance costs, except purchase of water, and except for costs of the office and maintenance yard, are to be allocated to the parties in proportion to the amount of water furnished by each for injection.
2 Leg	27% *				
3A	100%				
3B	100%				
4	18/23				
5	100%	5/23			
5 & 5A	100%	\$375 Rent/Year			
6 & 6A	100%				
7, 7A & 7B	100%	90% *			
8	10% *				
8A & 8B	100%				
9		100%			
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\* Capacity rights in the joint distribution pipeline in same proportion as used in the design of the pipeline in allocation of capacity.